

FSA-1924-24
(05-09-02)

U.S. Department of Agriculture
Farm Service Agency

**AGREEMENT TO CONDUCT PRODUCTION AND FINANCIAL MANAGEMENT
TRAINING FOR FARM SERVICE AGENCY BORROWERS**

1. This agreement is between _____, hereinafter referred to as the vendor, and the Farm Service Agency (FSA). FSA has determined that, based on a review of the information submitted to the FSA State Director, the vendor meets the minimum regulatory standards in course content and instructor qualifications to conduct production and financial management training for FSA borrowers.
2. The overall goal of this training is to improve the borrower's understanding of production and financial management techniques and enable borrowers to better analyze and manage their farming operations. Specifically, the borrower will be expected to do the following upon completion of the vendor's instruction (omit expectations not applicable if the vendor is not responsible for covering the entire curriculum):
 - A. Describe the specific goals of the business, describe what changes are required to attain the business goals, and outline how these changes will occur using present and projected enterprise budgets.
 - B. Maintain and utilize a financial management information system which includes financial and production records, a household budget, a statement of financial condition, and an accrual adjusted income statement. The borrower shall also be able to use this system when making financial and production decisions.
 - C. Understand and utilize an income statement. Specifically, the borrower must understand the structure and major components of an income statement and its role in analyzing the performance of a business, be familiar with the cash and accrual methods of determining net farm income, and understand the relationship between a balance sheet and an income statement.
 - D. Understand and utilize a balance sheet. Specifically, the borrower must understand the major components of a balance sheet and its role in analyzing the business, be familiar with the categories of assets and liabilities and be able to provide examples of entries under each, and be familiar with the cost and market methods of valuing assets and liabilities and the advantages of each method.
 - E. Understand and utilize a cash flow budget. Specifically, the applicant must be able to explain and justify estimates for production and expenses, and analyze the cash flow to identify potential problems.
 - F. Using production records and other production information, be able to identify problems, evaluate alternatives, and make corrections to present production practices to achieve greater efficiency and profitability.
3. Vendor's responsibilities:
 - A. The vendor will be responsible for making any necessary training arrangements such as scheduling class, preparing materials, obtaining equipment, and arranging for a meeting location. All costs will be paid by the vendors.
 - B. The vendor will be responsible for the collection of fees from the borrowers. FSA will not be responsible for any training costs incurred by the borrower. The fee(s) for this shall be:
 - C. Any modification in the above fees must be approved by the State Executive Director.
 - (1) The vendor will provide or make available all necessary materials, book, and case studies to the borrower.
 - (2) The vendor will prepare and administer a final examination to test the borrower's knowledge of the course materials.

Note: The following statements are made in accordance with the Privacy Act of 1974 (5 U.S.C. 552(a)). The Farm Service Agency (FSA) is authorized by the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1921 et seq.) or other Acts, and the regulations promulgated thereunder, to solicit the information requested on its application forms. The information requested is necessary for FSA to determine eligibility for credit or other financial assistance, service your loan, and conduct statistical analyses. Supplied information may be furnished to other Department of Agriculture agencies, the Internal Revenue Service, the Department of Justice or other law enforcement agencies, the Department of Defense, the Department of Housing and Urban Development, the Department of Labor, the United States Postal Service, or Federal, State, or local agencies as required or permitted by law. In addition, information may be referred to interested parties under the Freedom of Information Act (FOIA), to financial consultants, advisors lending institutions, packagers, agents, and private or commercial credit sources, to collection or servicing contractors, to credit reporting agencies, to private attorneys under contract with FSA or the Department of Justice, to business firms in the trade area that buy chattel or crops or sell them for commission, to Members of Congress or Congressional staff members, or to courts or adjudicative bodies. Disclosure of the information requested is voluntary. However, failure to disclose certain items of information requested, including your Social Security Number or Federal Tax Identification Number, may result in a delay in the processing of an application or its rejection.

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(3) The vendor will provide FSA and the lender (in the case of guaranteed loan borrowers) with periodic progress reports on each borrower receiving training from the vendor. The reports will indicate whether the borrower's is attending sessions and honestly endeavoring to complete the training program.

(4) Upon completion of the program, the vendor will prepare an evaluation of the borrower's performance which will specifically address the borrower's ability to meet the objectives set forth above. The instructor will assign the borrower a score from 1-3 according to the following criteria:

Score:

"1" The borrower attended classroom sessions as agreed, satisfactorily completed all assignments, and demonstrated an understanding of the course material.

"2" The borrower attended classroom sessions as agreed and attempted to complete all assignments; however, the borrower does not demonstrate an understanding of the course material.

"3" The borrower did not attend classroom sessions as agreed and/or did not attempt to complete assignments. In general, the borrower did not make a good faith effort to complete the training.

(5) The vendor shall provide the State Executive Director with a list of the names of the instructors. The vendor shall notify the FSA State Executive Director of any changes in instructors and include the reason for the change, the qualifications of the substitutes, and any additional information requested by the State Executive Director. Substitutes must meet the qualifications described in the vendor's application.

(6) The vendor must provide for the needs of any physically and or mentally handicapped borrowers.

(7) The vendor must provide for the needs of any borrowers for whom English is not their primary language.

(8) Training should be offered within a reasonable distance of the borrower's residence.

(9) The vendor will have the borrower complete Form FSA-1924-22, "Borrower Training Course Evaluation," and return these forms to the FSA State Executive Director.

4. This agreement shall be in effect for a period of 3 years from the date signed unless revoked by the State Executive Director or the vendor in writing giving 30 days notice. The State Executive Director may revoke this agreement if the vendor does not comply with the responsibilities in Item 3 of this agreement.

5A. State Executive Director, FSA (<i>Name</i>)	5B. State Office Name and Address
5C. Signature	5D. Date (MM-DD-YYYY)
6A. Vendor's Name	6B. Vendor's Address
	6C. Telephone Number (<i>Include Area Code</i>):
7A. Signature (<i>Vendor Representative</i>)	7B. Date (MM-DD-YYYY)